

clustered systems now account for service to approximately 52% of the nation's cable subscribers.

- **Vertical Integration:** The number of satellite-delivered programming networks has increased from 172 in 1997 to 245 in 1998. Vertical integration of national programming services between cable operators and programmers, measured in terms of the total number services in operation, declined from last year's total of 44% to just 39% this year, the continuation of a four year trend. However, in 1998, cable MSOs, either individually or collectively, owned 50% or more of 78 national programming services. A year earlier, cable MSOs owned 50% or more of 50 national networks.

- **Technological advances:** Technological advances are occurring that will permit MVPDs to increase both quantity of service (i.e., an increased number of channels using the same amount of bandwidth or spectrum space) and types of offerings (e.g., interactive services). In particular, cable operators and other MVPDs continue to develop and deploy advanced technologies, especially digital compression, in order to deliver additional video options and other services (e.g., data access, telephony) to their customers. To access these wide ranging services, consumers use "navigation devices." In the last year, the Commission adopted rules and policies to implement Section 629 of the Communications Act, which is intended to ensure commercial availability of these navigation devices.

- **Programming costs:** The report includes as an attachment the results of an inquiry undertaken by the Cable Services Bureau focusing on cable television programming costs and related issues. This inquiry was commenced to follow-up on issues raised in last year's annual competition report and involved a voluntary questionnaire distributed to six multiple system operators. The Bureau found that, other than inflation adjustments, programming cost increases were the most significant factor contributing to rate increases. The rate of increase in programming costs between July 1996 and July 1997 was 20.2%. Programming costs for the responding MSOs (for regulated services) were equal to approximately 24% of regulated revenues for that period. On average, about one-quarter of an operator's regulated revenues was used to pay for programming. Sports programming costs (for the period surveyed) did not increase at a disproportionately higher rate than other types of programming

and played a fairly minor role (accounting for only 5.3%) in overall rate increases. The inquiry results do not reflect license fee increases owing to sports distribution rights agreements announced in late 1997 and 1998.

#### *Ordering Clauses*

5. This 1998 Report is issued pursuant to authority contained in sections 4(i), 4(j), 403 and 628(g) of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 154(j), 403 and 548(g).

6. *It is ordered* that the Office of Legislative and Intergovernmental Affairs shall send copies of this 1998 Report to the appropriate committees and subcommittees of the United States House of Representatives and the United States Senate.

7. *It is further ordered* that the proceeding in CS Docket No. 98-102 *Is terminated*.

Federal Communications Commission.

**Magalie Roman Salas,**

*Secretary.*

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### **FEDERAL MARITIME COMMISSION**

#### **Security for the Protection of the Public Financial Responsibility to Meet Liability Incurred for Death or Injury to Passengers or Other Persons on Voyages; Notice of Issuance of Certificate (Casualty)**

Notice is hereby given that the following have been issued a Certificate of Financial Responsibility to Meet Liability Incurred for Death or Injury to Passengers or Other Persons on Voyages pursuant to the provisions of Section 2, Pub. L. 89-777 (46 U.S.C. 817(d)) and the Federal Maritime Commission's implementing regulations at 46 CFR Part 540, as amended:

Carnival Corporation, 3655 N.W. 87th Avenue, Miami, FL, 33178-2193, Vessel: PARADISE

Cunard Line Limited (d/b/a/ Seabourn Cruise Line) and Seabourn Maritime Management A/S, 55 Francisco Street, Suite 710, San Francisco, CA 94133, Vessels: SEABOURN LEGEND, SEABOURN PRIDE AND SEABOURN SPIRIT

Peter Deilmann Reederei GmbH & Co., and Schiffahrtsgesellschaft MS "DEUTSCHLAND" GmbH & Co., and MS "DEUTSCHLAND" Verwaltungsgesellschaft GmbH, Am Hafensteig 17-19, D-23730 Neustadt

in Holstein, Germany, Vessel: DEUTSCHLAND

Compagnie des Iles du Ponant and Compagnie des Iles du Levant, 60 Boulevard du Marechal Juin, 44100 Nantes, France, Vessel: LE LEVANT

Imperial Majesty Cruise Line L.L.C., Ulysses Cruises, Inc. (d/b/a Premier Cruises), International Shipping Partners, Inc., Oceanbreeze Ltd Inc. and Premier Operations Ltd., 871 W. Oakland Park Blvd., Fort Lauderdale, FL 33311, Vessel: OCEANBREEZE

Premier Operations Ltd., Premier Cruise Ltd., Ulysses Cruises, Inc. (d/b/a Premier Cruises) and International Shipping Partners, Inc., 901 South America Way, Pier 7, Miami, FL 33132-2073, Vessel: ISLANDBREEZE

Premier Operations Ltd., Ulysses Cruises, Inc. (d/b/a Premier Cruises), International Shipping Partners, Inc. and Premier Cruise Lines, Ltd., 901 South America Way, Pier 7, Miami, FL 33132-2073, Vessel: OCEANIC

Premier Operations Ltd., Ulysses Cruises, Inc. (d/b/a Premier Cruises), International Shipping Partners, Inc. and Seabreeze Ltd. Inc., 901 South America Way, Pier 7, Miami, FL 33132-2073, Vessel: SEABREEZE I

Riverbarge Excursion Lines, Inc., 201 Opelousas Avenue, New Orleans, LA 70114, Vessel: RIVER EXPLORER

Silversea Cruises, Ltd. and Silver Cloud Shipping Company S.A., 110 East Broward Blvd., Fort Lauderdale, FL 33301, Vessels: SILVER CLOUD and SILVER WIND

Premier Operations Ltd., Ulysses Cruises, Inc. (d/b/a Premier Cruises), and International Shipping Partners, Inc., 901 South America Way, Pier 7, Miami, FL 33132-2073, Vessel: REMBRANDT

Princess Cruises, Inc., Princess Cruise Lines, Inc. and The Peninsular and Oriental Steam Navigation Company and CP Shipping Corporation, 10100 Santa Monica Blvd., Suite 1800, Los Angeles, CA 90067-4189, Vessel: SEA PRINCESS

Royal Caribbean Cruises Ltd., Airtours Plc, Rabbit Leasing Limited and Capital Bank Leasing 6 Limited, 1050 Caribbean Way, Miami, FL 33132-2096, Vessel: SONG OF AMERICA

Dated: January 19, 1999.

**Bryant L. VanBrakle,**

*Secretary.*

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